Message Text

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ACTION NEA-09

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TAGS: PINT, PFOR, CE, US

SUBJ: FINANCE MINISTER MAINTAINS PL-480 RUPEE ALLEGATIONS IN

PARLIAMENT DEBATE

REF: COLOMBO 1435 AND 1436

1. IN MAY 6 SESSION OF NATIONAL STATE ASSEMBLY, J.R.
JAYEWARDENE, LEADER OF OPPOSITION UNITED NATIONAL
PARTY (UNP), RAISED MINISTER OF FINANCE N.M. PERERA'S
MAY DAY CHARGES. JAYEWARDENE, ACCORDING TO NEARLY
IDENTICAL FRONT-PAGE STORIES IN MAY 7 "CEYLON DAILY
NEWS" AND "CEYLON DAILY MIRROR", WENT OVER IN DETAIL
PRESS AND RADIO REPORTS OF PERERA'S ALLEGATIONS
AGAINST UNITED STATES AND J.R. HIMSELF (REFTELS).
HE THEN CATEGORICALLY DENIED THAT ANY PL-480 FUNDS WERE
USED TO HELP UNP, ADDING HIS PARTY SOUGHT TO COME TO
POWER WITH VOTES OF THE PEOPLE AND NOT WITH FUNDS OF
ANY FOREIGN NATION. JAYEWARDENE SAID HE WAS SURPRISED
THAT A RESPONSIBLE MINISTER "SHOULD MAKE SUCH WILD
AND LIBELLOUS STATEMENTS. IF HE CANNOT SUBSTANTIATE THEM,
HE SHOULD WITHDRAW THEM PUBLICLY."

2. PERERA IN REPLY ESSENTIALLY WENT OVER SAME GROUND AS IN REPORTS OF MAY DAY SPEECH. HE SAID EVENTS IN CAMBODIA AND LIMITED OFFICIAL USE

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"CIA INVOLVEMENTS" JUSTIFIED INVESTIGATION OF "EXCESSIVE"

US RUPEE WITHDRAWALS AND MAINTAINED IT WOULD "REVEAL WHAT HE ALREADY KNEW ABOUT THE MATTER" BECAUSE "SOME OF THE DOCUMENTS WERE WITH THE TREASURY." PERERA SAID CHARGE AGAINST JAYEWARDENE TOOK INTO ACCOUNT PRESS REPORTS THAT JAYEWARDENE HAD DECLARED THAT IF IN POWER HE WOULD RECEIVE FULL AMERICAN ASSISTANCE TO GIVE FOOD TO THE PEOPLE. JAYEWARDENE INTERVENED TO DENY ALLEGATION HE RECEIVED MONEY FROM UNITED STATES AND TO REMIND PERERA THAT UNITED FRONT WAS NOW GETTING AMERICAN FOOD. PERERA CONCLUDED BY SAYING HE HAD NOT MADE A "DIRECT" CHARGE THAT JAYEWARDENE WAS RECEIVING AMERICAN MONEY. ACCORDING TO "CEYLON DAILY MIRROR", FINANCE MINISTER ALSO DECLARED THAT INDIA HAD STOPPED PL-480 PURCHASES BECAUSE IT SUSPECTED "CERTAIN HAPPENINGS."

3. THERE WERE NO OTHER INTERVENTIONS IN DEBATE.

4. JAYEWARDENE-PERERA PARLIAMENTARY EXCHANGE WAS REPORTED IN ALL MAJOR SINHALA AND TAMIL PAPERS, BUT PERERA'S STATEMENTS WERE GIVEN HEAVIER COVERAGE IN MOST INSTANCES. ATHTHA (COMMUNIST PARTY/MOSCOW ORGAN), WHICH FIRST BROKE STORY APRIL 14, CALLED IN EDITORIAL FOR IMMEDIATE INQUIRY.

VAN HOLLEN

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